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Volume 6

Reserve

MILK MARKET INFORMATION  
CHATTANOOGA, TENNESSEE, MARKETING AREA  
April 1962

Number 9

Released Pursuant to §1090.27 (j) and §1090.85, USDA-ASCS  
Federal Order No. 90, 5916 Brainerd Road, Chattanooga 11, Tennessee  
J. B. McCroskey, Market Administrator

U.S. DEPT. OF AGRICULTURE  
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MAY 17 1962

MARKET SUMMARY APRIL 1962

The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 4.0% are: Base Milk \$4.62, Excess Milk \$2.96. The butterfat differential is 7.4 cents for each one-tenth of one percent above or below 4.0%.

During April 65.0% of the total producer milk was priced in Class I at \$5.24 per cwt. with a butterfat differential of 7.9 cents and 35.0% priced in Class II at \$3.00 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 65.4% and 55.4% respectively. Base milk was 86.8% and excess milk was 13.2% of the total producer deliveries. All excess milk and 25.1% of base milk was priced in Class II and 74.9% of base milk was priced in Class I.

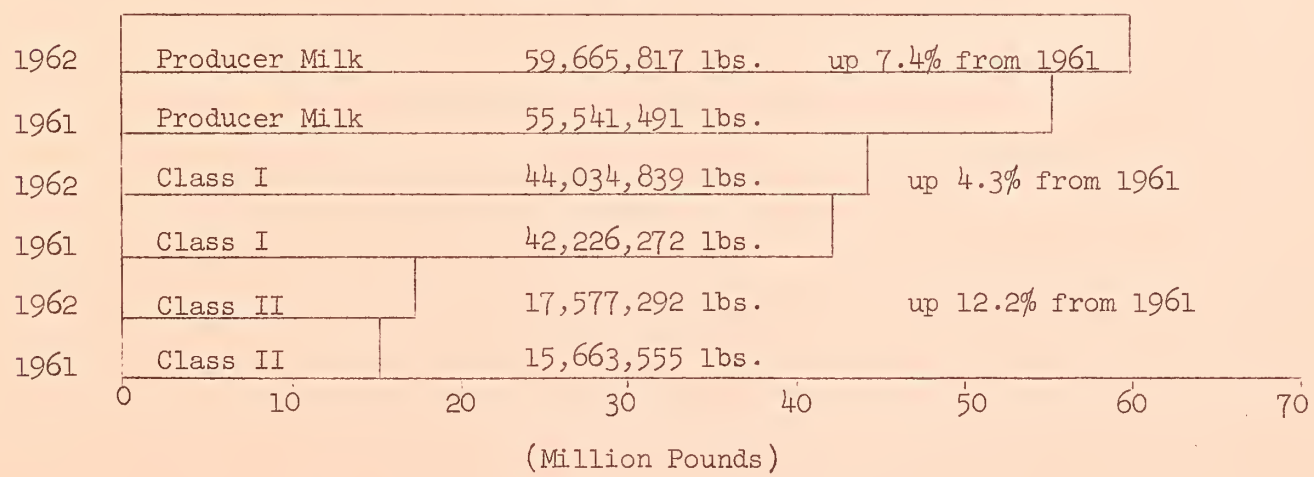
The daily average deliveries of producer milk during April increased 9.1% compared with March and increased 7.2% compared with April 1961. The daily average use of Class I milk decreased 7.1% compared with March and increased 2.6% compared with April 1961. The daily average base delivered was 96.9% of the established base.

NUMBER OF FARM PAYROLL ACCOUNTS

	1961									1962			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
New	3	2	1	1	13	2	5	4	-	3	2	1	4
Quit	3	2	4	3	4	1	4	3	1	3	4	3	5
Total	679	679	676	674	683	684	685	686	685	685	683	681	680

MILK SAMPLES TESTED - Producer Fresh Samples 5,882 - Handler Finished Products 222. During April an average of 8.7 samples per producer was used to determine butterfat content and pay test. Other samples were used to determine water, bacteria, antibiotics, etc. by the plants and various agencies.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION  
(JANUARY THRU APRIL)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Apr. '62</u>	<u>Mar. '62</u>	<u>Apr. '61</u>
Number of Plants (Pool and Non-Pool)	14	15	19
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>			
Producer Deliveries	536,273	491,393	500,275
% April '62 compared with:	100.0	109.1	107.2
Other Source	14,489	9,804	19,418
Other Order	8,128	4,741	4,855
Total Milk Receipts	558,890	505,938	524,548
% April '62 compared with:	100.0	110.5	106.5
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>			
Class I Uses:			
Fluid Milk	289,154	312,831	283,131
Fluid Skim	16,195	16,736	13,727
Buttermilk	36,652	40,369	37,631
Chocolate Milk	7,824	7,922	7,217
Fluid Creams (Sweet & Sour)	2,592	2,647	2,585
Bulk to Non-Handlers	43	211	134
Shrinkage Class I	654	1,822	420
Other	(136)	(2,780)	(707)
Total Class I Milk	352,978	379,758	344,138
% April '62 compared with:	100.0	92.9	102.6
Class II Uses:			
Butter	13,656	13,625	13,148
Cottage Cheese	19,731	17,991	16,453
Powdered and Condensed Milk	114,611	66,858	104,860
Ice Cream	35,438	23,806	26,060
Stockfeed	3,342	2,764	2,932
Shrinkage Class II	7,279	7,554	9,089
Other	11,855	(6,418)	7,868
Total Class II Milk	205,912	126,180	180,410
% April '62 compared with:	100.0	163.2	114.1
Gross Class I Butterfat Pounds	12,363	13,289	12,029
Gross Class II Butterfat Pounds	10,341	7,717	9,547
Total Butterfat Pounds	22,704	21,006	21,576
% Producer Milk of Gross Class I	151.9	129.4	145.4
% Producer Milk priced in Class I	65.0	76.3	67.9

MAY 1962 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>May '62</u>	<u>Apr. '62</u>	<u>May '61</u>
Basic Formula (See page 4)	\$3.46	\$3.65	\$3.61
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.26)	(0.16)	(0.22)
Class I Price, 4.0% Butterfat	\$4.95	\$5.24	\$5.14
<u>Per \$ 1090.51 (a)</u>			

Supply-Demand Comparison: 1st and 2nd preceding months: March and April  
Supply: Lbs. Producer Milk (Mar. 15,233,187 and Apr. 16,088,201) 31,321,388  
Demand: Lbs. Net Class I Milk (Mar. 11,717,840 and Apr. 10,465,500) 22,183,340  
Utilization Percentage: Producer milk divided by Class I 141  
Standard Utilization Percentage: Range 124-128 128  
Net Deviation Percentage: Utilization minus Standard Utilization plus 13  
Supply-Demand Adjustment: 2 cents x 13 percentage points minus \$0.26

Since the supply in relation to the demand is more than the desired standard, the price is decreased 26 cents per hundredweight (2 cents x 13 percentage points).



COMPUTATION OF UNIFORM PRODUCER PRICES FOR APRIL 1962  
Based on 14 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt.Price @ Test	Value
Gross Class I		10,589,349	3.503		
Less Other Source		127,075	2.292		
Producer Milk Class I	65.0	10,462,274	3.517304	\$4.858670	\$508,327.37
Gross Class II		6,177,358	5.022		
Less Other Source		551,431	2.440		
Producer Milk Class II	35.0	5,625,927	5.275166	3.854361	216,843.54
TOTAL PROD. (Cl. I + Cl. II)	100.0	16,088,201	4.132016		725,170.91
Add Fractional Adjustment					.01
Add Compensatory Payment Value					35.94
Add Overage Value					224.93
Add Inventory Reclassification Value					56.78
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					5,604.16
TOTAL VALUE AT TEST		16,088,201	4.132016		731,092.73
Less Test Over 4% @ 7.4¢ per point		16,088,201	.132016	0.097692	15,716.89
TOTAL PRODUCER MILK VALUE AT 4% TEST		16,088,201	4.0		715,375.84
		Pounds	Price 4%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		2,128,218	\$3.00	\$63,846.54	
Total Excess Producer Milk		2,128,218	3.00	63,846.54	
Less Prod.-Settlement Fund Res. @ 4¢		2,128,218	.04		851.29
UNIFORM EXCESS PRICE f.o.b. PLANT - 4%		2,128,218	2.96		62,995.25
Value of Base Milk (Total less Excess)		13,959,983	4.667121		651,529.30
Less Producer-Settlement Fund Reserve		13,959,983	.047121		6,578.08
UNIFORM BASE PRICE f.o.b. PLANT - 4%		13,959,983	\$4.62		\$644,951.22

APRIL 1962 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)  
BUTTERFAT DIFFERENTIAL 7.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	\$3.88	\$2.22	4.0%	\$4.62	\$2.96	5.0%	\$5.36	\$3.70
3.05	3.917	2.257	4.05	4.657	2.997	5.05	5.397	3.737
3.1	3.954	2.294	4.1	4.694	3.034	5.1	5.434	3.774
3.15	3.991	2.331	4.15	4.731	3.071	5.15	5.471	3.811
3.2	4.028	2.368	4.2	4.768	3.108	5.2	5.508	3.848
3.25	4.065	2.405	4.25	4.805	3.145	5.25	5.545	3.885
3.3	4.102	2.442	4.3	4.842	3.182	5.3	5.582	3.922
3.35	4.139	2.479	4.35	4.879	3.219	5.35	5.619	3.959
3.4	4.176	2.516	4.4	4.916	3.256	5.4	5.656	3.996
3.45	4.213	2.553	4.45	4.953	3.293	5.45	5.693	4.033
3.5	4.25	2.59	4.5	4.99	3.33	5.5	5.73	4.07
3.55	4.287	2.627	4.55	5.027	3.367	5.55	5.767	4.107
3.6	4.324	2.664	4.6	5.064	3.404	5.6	5.804	4.144
3.65	4.361	2.701	4.65	5.101	3.441	5.65	5.841	4.181
3.7	4.398	2.738	4.7	5.138	3.478	5.7	5.878	4.218
3.75	4.435	2.775	4.75	5.175	3.515	5.75	5.915	4.255
3.8	4.472	2.812	4.8	5.212	3.552	5.8	5.952	4.292
3.85	4.509	2.849	4.85	5.249	3.589	5.85	5.989	4.329
3.9	4.546	2.886	4.9	5.286	3.626	5.9	6.026	4.366
3.95	4.583	2.923	4.95	5.323	3.663	5.95	6.063	4.403

## CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES <sup>1/</sup>				HANDLER CLASS PRICES <sup>1/</sup>			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Apr. '61	\$4.56 <sup>2/</sup>	\$4.78	\$3.15	7.6¢	\$5.26	7.9¢	\$3.19	7.0¢
May	4.43 <sup>2/</sup>	4.65	3.09	7.6	5.14	7.9	3.13	7.0
June	4.51 <sup>2/</sup>	4.69	3.07	7.6	5.16	7.9	3.11	7.0
July	4.58 <sup>2/</sup>	4.76	3.06	7.6	5.20	7.9	3.10	7.0
Aug.	4.55	-	-	7.6	5.20	7.9	3.10	7.0
Sept.	4.67	-	-	7.6	5.00	7.9	3.65	7.0
Oct.	4.61	-	-	7.6	5.04	7.9	3.65	7.0
Nov.	4.74	-	-	7.6	5.14	7.9	3.65	7.0
Dec.	4.66	-	-	7.6	5.10	7.9	3.65	7.0
Jan. '62	4.74	-	-	7.6	5.16	7.9	3.65	7.0
Feb.	4.61	-	-	7.6	5.16	7.9	3.12	7.0
Mar.	4.63 <sup>2/</sup>	4.77	2.99	7.6	5.18	7.9	3.03	7.0
Apr.	4.40 <sup>2/</sup>	4.62	2.96	7.4	5.24	7.9	3.00	6.7
May	-	-	-	-	4.95	7.5	-	-

## PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.	Cond.	Cheese	Powder		
Apr. '61	3.230	60.466	14.325	34.625	3.61	3.31	3.58	3.19	3.61
May	3.188	60.466	14.615	34.344	3.57	3.31	3.61	3.13	3.61
June	3.122	60.466	14.820	34.250	3.50	3.31	3.61	3.11	3.61
July	3.154	60.466	14.865	34.375	3.53	3.31	3.61	3.10	3.61
Aug.	3.173	60.466	15.120	34.750	3.55	3.31	3.65	3.10	3.65
Sept.	3.182	60.466	15.105	35.025	3.56	3.32	3.65	3.10	3.65
Oct.	3.189	60.466	15.125	35.250	3.57	3.32	3.65	3.14	3.65
Nov.	3.206	60.466	15.070	35.250	3.59	3.32	3.65	3.15	3.65
Dec.	3.194	60.466	15.275	35.250	3.57	3.32	3.65	3.15	3.65
Jan. '62	3.178	60.466	15.260	35.250	3.56	3.32	3.65	3.15	3.65
Feb.	3.139	60.466	15.200	35.250	3.52	3.32	3.65	3.12	3.65
Mar.	3.061	60.466	15.060	34.850	3.44	3.32	3.65	3.03	3.65
Apr.	2.929	57.957	14.125	33.250	3.30	3.18	3.46	3.00	3.46

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Month	HANDLER GROSS MILK <u>3/</u>			PRODUCER DATA <u>3/</u>				Deliveries Per			Prod.
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			Milk
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	Test%
Apr. '61	19	524,548	344,138	339,543	500,275	433,660	679	737	639	98	4.17
May	19	543,235	335,018	330,864	499,424	430,079	679	736	633	103	4.17
June	17	527,227	326,883	322,856	460,325	409,710	676	681	606	75	4.16
July	16	467,128	320,886	316,645	437,762	391,235	674	649	580	69	4.11
Aug.	16	482,211	331,130	326,695	455,739	-	683	667	-	-	4.10
Sept.	16	510,882	392,792	387,850	490,621	-	684	717	-	-	4.10
Oct.	16	496,512	359,804	355,333	484,049	-	685	707	-	-	4.33
Nov.	16	485,350	367,830	363,038	472,375	-	686	689	-	-	4.39
Dec.	16	494,324	351,891	347,812	476,639	-	685	696	-	-	4.41
Jan. '62	16	486,624	364,433	359,869	473,586	-	685	691	-	-	4.40
Feb.	15	502,714	370,556	365,746	487,973	-	683	714	-	-	4.23
Mar.	15	505,938	379,758	374,849	491,393	453,152	681	722	665	57	4.22
Apr.	14	558,890	352,978	348,742	536,273	465,332	680	789	684	105	4.13

<sup>1/</sup> Excludes Premiums<sup>2/</sup> For statistics only<sup>3/</sup> Other Source is Gross minus Producer; Class II is Receipts minus Class I;  
Excess is Producer minus Base